



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5110

Introduced 1/29/2010, by Rep. William B. Black

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7

from Ch. 120, par. 2407

Amends the Riverboat Gambling Act. Provides that the Board may issue one additional owners license that authorizes the conduct of riverboat gambling in the City of Danville subject to a license fee of \$150,000,000 paid in equal annual payments over 10 years. Effective immediately.

LRB096 18580 AMC 33962 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Riverboat Gambling Act is amended by
5 changing Sections 7 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners Licenses.

8 (a) The Board shall issue owners licenses to persons, firms
9 or corporations which apply for such licenses upon payment to
10 the Board of the non-refundable license fee set by the Board,
11 upon payment of a \$25,000 license fee for the first year of
12 operation and a \$5,000 license fee for each succeeding year and
13 upon a determination by the Board that the applicant is
14 eligible for an owners license pursuant to this Act and the
15 rules of the Board. From the effective date of this amendatory
16 Act of the 95th General Assembly until (i) 3 years after the
17 effective date of this amendatory Act of the 95th General
18 Assembly, (ii) the date any organization licensee begins to
19 operate a slot machine or video game of chance under the
20 Illinois Horse Racing Act of 1975 or this Act, (iii) the date
21 that payments begin under subsection (c-5) of Section 13 of the
22 Act, or (iv) the wagering tax imposed under Section 13 of this
23 Act is increased by law to reflect a tax rate that is at least

1 as stringent or more stringent than the tax rate contained in
2 subsection (a-3) of Section 13, whichever occurs first, as a
3 condition of licensure and as an alternative source of payment
4 for those funds payable under subsection (c-5) of Section 13 of
5 the Riverboat Gambling Act, any owners licensee that holds or
6 receives its owners license on or after the effective date of
7 this amendatory Act of the 94th General Assembly, other than an
8 owners licensee operating a riverboat with adjusted gross
9 receipts in calendar year 2004 of less than \$200,000,000, must
10 pay into the Horse Racing Equity Trust Fund, in addition to any
11 other payments required under this Act, an amount equal to 3%
12 of the adjusted gross receipts received by the owners licensee.
13 The payments required under this Section shall be made by the
14 owners licensee to the State Treasurer no later than 3:00
15 o'clock p.m. of the day after the day when the adjusted gross
16 receipts were received by the owners licensee. A person, firm
17 or corporation is ineligible to receive an owners license if:

18 (1) the person has been convicted of a felony under the
19 laws of this State, any other state, or the United States;

20 (2) the person has been convicted of any violation of
21 Article 28 of the Criminal Code of 1961, or substantially
22 similar laws of any other jurisdiction;

23 (3) the person has submitted an application for a
24 license under this Act which contains false information;

25 (4) the person is a member of the Board;

26 (5) a person defined in (1), (2), (3) or (4) is an

1 officer, director or managerial employee of the firm or
2 corporation;

3 (6) the firm or corporation employs a person defined in
4 (1), (2), (3) or (4) who participates in the management or
5 operation of gambling operations authorized under this
6 Act;

7 (7) (blank); or

8 (8) a license of the person, firm or corporation issued
9 under this Act, or a license to own or operate gambling
10 facilities in any other jurisdiction, has been revoked.

11 The Board is expressly prohibited from making changes to
12 the requirement that licensees make payment into the Horse
13 Racing Equity Trust Fund without the express authority of the
14 Illinois General Assembly and making any other rule to
15 implement or interpret this amendatory Act of the 95th General
16 Assembly. For the purposes of this paragraph, "rules" is given
17 the meaning given to that term in Section 1-70 of the Illinois
18 Administrative Procedure Act.

19 (b) In determining whether to grant an owners license to an
20 applicant, the Board shall consider:

21 (1) the character, reputation, experience and
22 financial integrity of the applicants and of any other or
23 separate person that either:

24 (A) controls, directly or indirectly, such
25 applicant, or

26 (B) is controlled, directly or indirectly, by such

1 applicant or by a person which controls, directly or
2 indirectly, such applicant;

3 (2) the facilities or proposed facilities for the
4 conduct of riverboat gambling;

5 (3) the highest prospective total revenue to be derived
6 by the State from the conduct of riverboat gambling;

7 (4) the extent to which the ownership of the applicant
8 reflects the diversity of the State by including minority
9 persons and females and the good faith affirmative action
10 plan of each applicant to recruit, train and upgrade
11 minority persons and females in all employment
12 classifications;

13 (5) the financial ability of the applicant to purchase
14 and maintain adequate liability and casualty insurance;

15 (6) whether the applicant has adequate capitalization
16 to provide and maintain, for the duration of a license, a
17 riverboat;

18 (7) the extent to which the applicant exceeds or meets
19 other standards for the issuance of an owners license which
20 the Board may adopt by rule; and

21 (8) The amount of the applicant's license bid.

22 (c) Each owners license shall specify the place where
23 riverboats shall operate and dock.

24 (d) Each applicant shall submit with his application, on
25 forms provided by the Board, 2 sets of his fingerprints.

26 (e) The Board may issue up to 10 licenses authorizing the

1 holders of such licenses to own riverboats. In the application
2 for an owners license, the applicant shall state the dock at
3 which the riverboat is based and the water on which the
4 riverboat will be located. The Board shall issue 5 licenses to
5 become effective not earlier than January 1, 1991. Three of
6 such licenses shall authorize riverboat gambling on the
7 Mississippi River, or, with approval by the municipality in
8 which the riverboat was docked on August 7, 2003 and with Board
9 approval, be authorized to relocate to a new location, in a
10 municipality that (1) borders on the Mississippi River or is
11 within 5 miles of the city limits of a municipality that
12 borders on the Mississippi River and (2), on August 7, 2003,
13 had a riverboat conducting riverboat gambling operations
14 pursuant to a license issued under this Act; one of which shall
15 authorize riverboat gambling from a home dock in the city of
16 East St. Louis. One other license shall authorize riverboat
17 gambling on the Illinois River south of Marshall County. The
18 Board shall issue one additional license to become effective
19 not earlier than March 1, 1992, which shall authorize riverboat
20 gambling on the Des Plaines River in Will County. The Board may
21 issue 4 additional licenses to become effective not earlier
22 than March 1, 1992. After the effective date of this amendatory
23 Act of the 96th General Assembly, the Board may issue one
24 additional license that authorizes the conduct of riverboat
25 gambling in the City of Danville subject to a license fee of
26 \$150,000,000 paid in equal annual payments over 10 years. In

1 determining the water upon which riverboats will operate, the
2 Board shall consider the economic benefit which riverboat
3 gambling confers on the State, and shall seek to assure that
4 all regions of the State share in the economic benefits of
5 riverboat gambling.

6 In granting all licenses, the Board may give favorable
7 consideration to economically depressed areas of the State, to
8 applicants presenting plans which provide for significant
9 economic development over a large geographic area, and to
10 applicants who currently operate non-gambling riverboats in
11 Illinois. The Board shall review all applications for owners
12 licenses, and shall inform each applicant of the Board's
13 decision. The Board may grant an owners license to an applicant
14 that has not submitted the highest license bid, but if it does
15 not select the highest bidder, the Board shall issue a written
16 decision explaining why another applicant was selected and
17 identifying the factors set forth in this Section that favored
18 the winning bidder.

19 In addition to any other revocation powers granted to the
20 Board under this Act, the Board may revoke the owners license
21 of a licensee which fails to begin conducting gambling within
22 15 months of receipt of the Board's approval of the application
23 if the Board determines that license revocation is in the best
24 interests of the State.

25 (f) The ~~first 10~~ owners licenses issued under this Act
26 shall permit the holder to own up to 2 riverboats and equipment

1 thereon for a period of 3 years after the effective date of the
2 license. Holders of the ~~first 10~~ owners licenses must pay the
3 annual license fee for each of the 3 years during which they
4 are authorized to own riverboats.

5 (g) Upon the termination, expiration, or revocation of each
6 of the ~~first 10~~ licenses, which shall be issued for a 3 year
7 period, all licenses are renewable annually upon payment of the
8 fee and a determination by the Board that the licensee
9 continues to meet all of the requirements of this Act and the
10 Board's rules. However, for licenses renewed on or after May 1,
11 1998, renewal shall be for a period of 4 years, unless the
12 Board sets a shorter period.

13 (h) An owners license shall entitle the licensee to own up
14 to 2 riverboats. A licensee shall limit the number of gambling
15 participants to 1,200 for any such owners license. A licensee
16 may operate both of its riverboats concurrently, provided that
17 the total number of gambling participants on both riverboats
18 does not exceed 1,200. Riverboats licensed to operate on the
19 Mississippi River and the Illinois River south of Marshall
20 County shall have an authorized capacity of at least 500
21 persons. Any other riverboat licensed under this Act shall have
22 an authorized capacity of at least 400 persons.

23 (i) A licensed owner is authorized to apply to the Board
24 for and, if approved therefor, to receive all licenses from the
25 Board necessary for the operation of a riverboat, including a
26 liquor license, a license to prepare and serve food for human

1 consumption, and other necessary licenses. All use, occupation
2 and excise taxes which apply to the sale of food and beverages
3 in this State and all taxes imposed on the sale or use of
4 tangible personal property apply to such sales aboard the
5 riverboat.

6 (j) The Board may issue or re-issue a license authorizing a
7 riverboat to dock in a municipality or approve a relocation
8 under Section 11.2 only if, prior to the issuance or
9 re-issuance of the license or approval, the governing body of
10 the municipality in which the riverboat will dock has by a
11 majority vote approved the docking of riverboats in the
12 municipality. The Board may issue or re-issue a license
13 authorizing a riverboat to dock in areas of a county outside
14 any municipality or approve a relocation under Section 11.2
15 only if, prior to the issuance or re-issuance of the license or
16 approval, the governing body of the county has by a majority
17 vote approved of the docking of riverboats within such areas.

18 (Source: P.A. 94-667, eff. 8-23-05; 94-804, eff. 5-26-06;
19 95-1008, eff. 12-15-08.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.